

3. Residential Development Impact Fees for Montana Public Schools

WHEREAS, new residential developments, increasing at record rates for some Montana school districts, are generating increased student enrollment and are not required to pay a fair and proportionate share of increased capital costs incurred by local public school districts to accommodate the impacts and meet the requirements of providing a quality public education for new students in existing school districts, and

WHEREAS, local government entities do not have clear legal authority to establish and set impact fees for public school districts; and

WHEREAS, residential property tax revenues fail to adequately cover the costs of the capital improvements needed to serve projected growth; and

WHEREAS, political resistance to property taxes on school building referendums compromises the conventional way to pay for school infrastructure needs brought on by new residential development; and

WHEREAS, it is an unfair burden on the existing taxpayers of a school, especially those on fixed incomes, to pay a disproportionate share of the cost of additional facilities created by new residential developments; and

WHEREAS, while school impact fees do not reflect the full price of infrastructure improvements, these fees offer a fair and efficient way to pay for public facility capital improvements and establish a direct economic linkage between those paying for and those receiving the benefits; and

WHEREAS, local government entities have the authority to collect impact fees for public facilities explicitly defined in MCA 7-6-1601 as a waste supply facility, a wastewater facility, a transportation facility, a storm water facility, and police and fire protection facilities, but not for public school facilities;

THEREFORE BE IT RESOLVED, that the Montana School Boards Association support the use of impact fees for public schools; and

BE IT FURTHER RESOLVED, that the MTSBA endorse changes in MCA 7-6-1601 to include public school facility in the definition of public facility; and

BE IT FINALLY RESOLVED, that the MTSBA strongly endorse legislation during the 2007 Legislature that grants local government entities under MCA 7-6-1601 the authority to establish and set impact fees on new residential developments in order to provide public schools with the capital improvement funds needed to keep pace with school enrollment increases. (Additional legal references: 15-24-3005; 15-24-3006; 20-9-615)